Kidztech Holdings Limited
奇士達控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6918)

VOLUNTARY ANNOUNCEMENT
MEMORANDUM OF UNDERSTANDING

This announcement is made by Kidztech Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") on a voluntary basis to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

THE MEMORANDUM OF UNDERSTANDING

The board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to announce that, on 14 July 2026, Fortune Union Capital Management Limited ("**Fortune Union**"), a non-wholly owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding (the "**MOU**") with Fano Labs Limited ("**Fano Labs**").

The MOU relates to a potential cooperation regarding a long-term strategic partnership to develop artificial intelligence ("**AI**") models and intelligent agent application solutions. The cooperation aims to build a financial services specific AI models and intelligent agent application solutions, while leveraging data-driven precision marketing to support and enhance applicable business operations.

Pursuant to the terms of the strategic cooperation, Fortune Union shall leverage its mature compliance framework to ensure the compliant execution and successful commercial implementation of the cooperative projects. Fortune Union will contribute its core resources, which include compliant financial business operation scenarios and industry-specific data, alongside its established market channels, brand equity, and professional operational and business support.

Concurrently, Fano Labs shall provide the fundamental technical backbone required for the practical implementation of the projects and will assume primary responsibility for technological research and development, model iteration, system engineering, and regular technical upgrades. To support these initiatives, Fano Labs' core resource contributions will include its dedicated AI research and development team, as well as its proprietary model technologies, algorithmic capabilities, and computing power resources.

The intellectual property rights, ownership allocation, and financial terms for the AI models and application solutions are under negotiation and will be finalised in the definitive agreement.

REASONS FOR AND BENEFITS OF THE COOPERATION

In light of rapid global digital transformation and tightening financial regulatory requirements, the demand for compliant and efficient financial AI solutions is growing steadily. The Board believes that expanding into the financial services sector, powered by fintech and digital finance innovations, represents a significant growth opportunity for the Group.

By combining Fortune Union's solid financial industry expertise with Fano Labs' leading AI technologies, the cooperation aims to achieve a deep integration of technology and industry practice. This is expected to empower business innovation, improve operational efficiency, cultivate new growth drivers, and enhance the overall technological capability of the Group.

This cooperation will drive synergies across the Group's business segments. Beyond fintech, the proprietary AI technology will be deployed to upgrade core traditional operations through precision marketing and enhanced consumer targeting. Such AI solutions will initially be utilized internally by the Company to optimize its multi-segment business lines and may subsequently be extended to external parties. Ultimately, this cooperation will enable the Group to diversify its income streams, revitalize its existing business and achieve sustainable business growth. Accordingly, the Board is of the view that entering into the MOU is in the interests of the Company and its shareholders as a whole.

The Company has newly carried on insurance brokerage services through Fortune Union, is acquisition of 70% of equity stake since the inception of 30 April 2026 and will continue to carry out its existing business operations in the smart toys, electronic products and electronic parts. Potential business expansion initiatives aim to explore growth opportunities in higher-margin emerging sectors while simultaneously injecting technological innovation into core business units, thereby strengthening the sustainable development capacity of the Group and creating enhanced overall value for the Company's shareholders.

INFORMATION ON THE PARTIES

Fortune Union

The Company completed the acquisition of a 70% equity stake in Fortune Union for a total consideration of HKD2.49 million. Fortune Union is a company incorporated in Hong Kong and holds a valid Insurance Broker Company License, primarily engaged in providing insurance brokerage and relevant financial services in Hong Kong. As of 31 March 2026, Fortune Union recorded net assets of approximately HKD0.7 million.

The consideration was determined after arm's length negotiations between the parties on normal commercial terms, taking into account, among other things, the business prospects and asset value of the target company.

As all applicable percentage ratios in relation to the acquisition are below 5%, the transaction does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

Fano Labs

Fano Labs is a leading financial artificial intelligence technology enterprise based in Hong Kong and backed by world-class venture capital. It focuses on financial large language model research and development, algorithm optimization, intelligent system development, and industrial applications, possessing mature AI technology research and development capabilities and strong computing power support.

To the best of the Directors' knowledge, information, and belief, having made all reasonable enquiries, Fano Labs and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

GENERAL

The memorandum of understanding for the cooperation is an agreement of intent only, the purpose of which is to record the preliminary intention of both parties to cooperate for further negotiation and is not legally binding on any parties. The cooperation mentioned in the memorandum of understanding may not take place in the future and even if it does, the final terms of the transaction may not be entirely consistent with the relevant contents of the memorandum of understanding.

Shareholders and potential investors of the Company should note that this announcement is made on a voluntary disclosure basis to allow the public to understand the Company's latest business development. The Board wishes to emphasise that the cooperation described in the Letter of Intent for Cooperation may not materialized. The Company will make further announcement (where applicable) in compliance with the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Kidztech Holdings Limited
Yu Huang
Chairman

Hong Kong, 14 July 2026

As at the date of this announcement, the Board comprises Mr. Yu Huang, Mr. Wang Ochoa Longhai and Mr. Qu Xuanbai as executive Directors; Ms. Zheng Jingyun and Mr. Chan Chun Wing as the non-executive Directors; and Ms. Wang Shiling, Mr. Gong Lan and Ms. Huang Chunlian as independent non-executive Directors.